Action taken by MRTPC tyre Manufacturers

1410. SHRI SUBAS MOHANTY: Will the Minister of INDUSTRY be pleased to state :

(a) whether tyre manufacturers have formed a cartel to keep the prices of tyres high;

(b) if so, whether the Monopolies and Restrictive Trade Practices Commission has taken action in this matter; and

(c) if so, what are the results thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) to (c) The MRTP Commission has so far instituted three enquiries in respect of forming of cartels by the tyre manufacturing companies. In the first enquiry, the Commission issued a cease and desist order on 19-4-76. The second enquiry was concluded by the Commission on 24-3-83 by accepting undertakings from the concerned companies. The proceedings in the third enquiry, instituted in April, 1985, have been stayed by Delhi High Court.

Complaint against Development Commissioner (Drugs)

1411. SHRI SUBAS MOHANTY: Will the Minister of INDUSTRY be pleased to state :

(a) whether the examination of alleged irregularities and complaints against the Office of the Development Commissioner (Drugs) has since been completed; and

(b) if so, what are the findings of the inquiry and action taken thereon?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETRO-CHEMICALS IN THE MINISTRY OF INDUSTRY (SHRI R. K. JAICHANDRA SINGH): (a) No, Sir.

(b) Does not arise.

Passing on of excise duty relief on light Commercial vehicles by manufacturers to buyers

†1412. SHRI PARVATHANENI UPENDRA : Will the Minister of INDUSTRY be pleased to state :

(a) whether it is a fact that the 50 per cent excise relief announced recently by the Government on fuel efficiency light commercial vehicles has not been passed on by the manufacturers to the buyers;

(b) if so, whether Government have taken any steps to ensure that this excise relief is passed on to the buyers; and

(c) whether Government have conducted any study through the Bureau of Industrial Costs and Prices into the jutification for the frequent price increase by the light commercial vehicle manufacturers?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b) The new light commercial vehicle manufacturers faced severe constraints in the recent past on account of high cost and low production. This situation was aggravated by unforeseen and unexpected factors like the steep appreciation of the Japanese Yen, particularly when these units were in the initial phase of commercial production and had not fully absorbed the manufacturing technology. It is in this background Government reduced the excise duty to 10 per cent *ad valorem*, for fuel efficient light commercial vehicles of payload not exceeding 4000 Kgs. It is expected that with fiscal incentives the units would be able to overcome severe financial constraints and achieve the approved indigenisation programme which would make the units viable. It is also expected that with faster indigenisation the impact of appreciation of the Japanese Yen would be reduced and the manufacturers would

†Previously Unstarred Question 1280, transferred from the 30th April, 1987.